



Testimony in Support of Workers' Compensation Reform
MI Senate Committee: Reforms, Restructuring & Reinventing

My name is Patrick Harrington, I am not the registered lobbyist of the same name. For the past 24 years I have filled the role identified in the Workers' Compensation Act of a Workers' Compensation Group Self-Insured Fund Plan Administrator for The Michigan Retail Hardware Association Group Self-Insured Workers' Compensation Fund. This fund has a 30 year track record of taking care of injured workers and is proud to have zero open claims over 4 years old and zero claims open on the question of whether an injury is compensable.

I serve on the WCA Director's Health Care Rate/Rule Advisory Committee & also the WCA Director's Advisory Committee. I have been actively involved in these committees during the current and former Director's tenures.

The greatest hurdle in managing our program is the instability of the interpretations of wage loss & the rising cost of medical procedures. We have a reinsurance & excess claims contracts to purchase annually and Michigan's current law is not conducive to our being able to obtain the favorable pricing other states enjoy. Michigan's law is perceived as "blowing with the wind" with unstable disability interpretations & multi layered language that guarantee litigation instead of simple resolution on behalf of an injured worker.

With over 500 small business locations and over 5,000 covered employees in our program, we specialize in claim servicing that is in the interest of workers, and a net cost that is around 40% lower than the "street-rates" of commercial carriers. Other group self-insured funds in Michigan have other results – I serve on the Board of MI Council of Self-Insured Group Administrators and am supportive of their submitted testimony by Tim Hanna, in his role as President and Plan Administrator of 5 group funds.

Our group self-insurance fund is in support of the reforms to the Workers' Compensation Act. Passage of this legislation is endorsed by The Michigan Retail Hardware Association and The Michigan Lumber and Building Materials Association.

Thank You – Sincerely,

Patrick S. Harrington – Plan Administrator / MRHA Self-Insured Workers' Compensation Fund

Michigan Retail Hardware Association

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